

## NOTES OF INTERDEPARTMENTAL MEETING

21ST MAY, 1980

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Financial Situation

Assuming a pay settlement at 15%, then the cost of that plus the cost of implementing the new grading system as proposed will exceed the Service's Cash Limit by about £130,000. For the current financial year this excess will be met largely by deferment of capital expenditure in order to gain time in which to try to persuade HM Government that we need more not less resources in the present international climate. That is going to be difficult and may well not succeed, so we must also use the time to plan the most sensible and least damaging cuts to take effect from next April.

Ministers have been showing interest in increasing the revenue-earnings of various parts of the External Service, including Monitoring, as a way of reducing the Grants-in-aid. Our recent advertising campaign produced a lot of enquiries but very few orders and we are now engaged in an attempt to interest more foreign governments through their UK Embassies. It is generally accepted in the FCO that no dramatic increase in income is likely. It does continue to rise year by year and sales of selections from the news file have been particularly buoyant of late.

Other Matters

- (i) We are discussing with FBIS ideas for participating in increased coverage of Central Asia, on a repayment basis; and the possible locating at Caversham or Crowsley of a dish to pick up satellite transmissions of Soviet TV and VHF.
- (ii) The Listening Room Modernisation Committee has been instructed to pursue in detail its recommendation that a system of remote control, with tuning and aerial selection by individual monitors, should replace the present system for the mid-eighties.
- (iii) An invitation to Mrs. Thatcher to visit Caversham was sympathetically turned down by her Press Secretary on the grounds that she didn't expect to be in this part of the country in the foreseeable future. He has made a note of it as a possibility later on.
- (iv) Direct dialling to Bush and BH should shortly be available on all PBX extensions.

*John Rae*  
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Head of Monitoring Service

22nd May, 1980

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